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10 OCT 1959

MEMORANDUM FOR THE RECORD

SUBJECT: Bureau of the Budget Briefings - Mr. Bissell

1. At the request of the Bureau of the Budget, Mr. Bissell of the D/P, arranged a series of briefings. The introduction to these briefings was given by Mr. Bissell from 1410 to 1550, Tuesday, 6 October 1959. Those present were Messrs. Bissell, [redacted] and [redacted] of the D/P; Messrs. Ecker and Ellington of the Bureau of the Budget; and, Messrs. Saunders, [redacted] of the Comptroller's Office.

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2. By way of introduction, Mr. Bissell noted that although the questions presented by the Bureau of the Budget were reasonable, he naturally wanted to set limits. He noted that in most instances the Division Chiefs personally would give the briefings.

3. Mr. Bissell stated that he wanted to change Technical Services Staff to Technical Services Division, and that he was considering reassigning Soviet Russia Division people in the Field to the area divisions.

4. Mr. Bissell continued by stating that he had certain prejudices about organization. In particular, he felt that over the past five years we had become increasingly bureaucratic. He wants a fast-hitting organization and feels that with the privacy we gain through our security restrictions we can do it. He feels that we can attain a standard of excellence not achievable in the rest of the Government or in most private organizations. He emphasized that he felt that we are excessively defensive and that we are far too afraid to make errors - which to him is the essence of bureaucracy.

5. Mr. Bissell stated that he believes our main organizational problem is the relationship of the senior staffs to the area divisions. True staff work on the senior staffs is much less than 50% of the total work of these staffs. For the CI Staff the percentage is far less, but for MI and PP it may be somewhat higher. Each of these three units perform many functions that do not fit into his assumption of true staff work; examples are: requirements, evaluation, and the work of the Division D. There is a third

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aspect of the work of the staffs -- the supervision of the area division. Present policies, which he hopes to change, stem from the CGO and OPC traditions. He intends to redesignate the rolls of these staffs and eliminate all or any detailed supervision by them of area division work. He wants the staffs to be specialists in their various techniques and to be concerned with capabilities, doctrine, and, also, special non-geographic functions. The VI, PP, and CI Staffs will be called Special Staffs.

6. He stated that he had never worked anywhere with a group of men with a greater overall competence, but that now the case officers are not free to act even on details.

7. Mr. Bissell is creating in his own office a small central staff with three elements:

a. A Projects and Programs Branch under [redacted] -- Its functions and its personnel will be derived from the PTC, PP, and VI Staffs. It will be responsible for format, procedures and scheduling.

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b. Two to three officers of middle rank as an Operations Group. (Apparently this will be essentially a coordination group under [redacted])

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c. A Senior Planning Officer, [redacted], who will be detached entirely from current operations, and whose job it will be to determine what "our direction should be."

8. Mr. Bissell then indicated that there would be a number of changes in procedures. He stated that, "This Agency has been characterized to an altogether undesirable degree by the practice of sending decisions all the way to the top in great detail." He feels that this is bad management and a bad habit. Secondly, he noted that, "We had found it difficult to lay down general policy guidance ... and each project is thought of as being unique."

The most concrete step he plans to take is in connection with program procedures. Now, most decisions are made on the basis of projects, and the programs consist of only a list of projects. As long as the programs merely consist of lists of projects, the program will be of little value.

This winter, the DD/P components will be directed to draw up programs by categories of activities. Although he is not yet

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sure of the exact categories, there will be somewhere between 10 or 15 categories used. He may add labor operations as a new category. He also may classify activities by major targets or by the techniques employed.

He stated that he would like to aggregate projects so that fewer decisions need be made at the top. In this connection, he repeated his earlier remark that this was the only organization he had seen where all details were forwarded from the lowest level, through the intermediate levels, to the very top.

9. In regard to Headquarters [redacted] he thinks we tend to second guess the field far too much but do not do so much more than, say, the State Department. In line with reducing the amount of second guessing, he wants to ease the burden of routine reporting from the field.

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He noted that while non-official cover has many limitations, we must, nevertheless, make very much more use of it. Now, most of our persons under official cover are identified with the countries in which they work and are presumably known to the Communists. Within the next five years he would like to see at least 1/3 of the employees overseas under non-official cover. However, we will continue to need a small command post under official cover.

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[redacted]

10. In answer to questions Mr. Bissell noted the following:

- a. Headquarters is bigger than optimum size.
- b. We are trying to put increasingly more emphasis on new techniques. We need more scientific operations. We need better tools, such as recorders. However, these new methods do not replace older methods.
- c. We are trying to be more selective in our operations.
- d. The differences between PI and PP operations are softening, but there will always be some differences. Techniques are becoming more similar. Today, an PI operation may create eventually, a PP asset. Likewise, many PP operations have an PI potential.

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16. Mr. Ellington indicated to Mr. Bissell that he wanted an opportunity to have a final session with Mr. Bissell at the end of the present hearings. Mr. Bissell tentatively assented.

Acting Deputy Chief,
Budget Division

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BB/comp/MLW/yvs (10 October 1959)

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